

Exhibit E – Part 2

2003

07

Department of the Treasury
Internal Revenue Service (99)

(99) shown on Form 1040

Itemized Deductions

► Attach to Form 1040.
► See Instructions for Schedule A (Form 1040).

Your social security number

REDACTED 7463

ARTHUR J. AND DONNA R. MATHEWS

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.		
	1	1	
	2	2	
	3	3	
4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			
Taxes You Paid (See instructions.)	5	2,014.	
	6	729.	
	7	220.	
	8		
9 Add lines 5 through 8			
Interest You Paid (See instructions.)	10	SEE. ST. 2	10
	11		6,129.
Note. Personal interest is not deductible.	12	Points not reported to you on Form 1098. See instrs for spcl rules	11
	13	Investment interest. Attach Form 4952 if required. (See instrs.)	12
	14	Add lines 10 through 13	13
			14
Gifts to Charity If you made a gift and got a benefit for it, see instructions.	15	Gifts by cash or check. If you made any gift of \$250 or more, see instructions.	15
	16	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500.	16
	17	Carryover from prior year.	17
	18	Add lines 15 through 17	18
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See instructions.)	19
			0.
Job Expenses and Most Other Miscellaneous Deductions (See instructions.)	20	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.)	20
		FORM 2106 (SPOUSE)	390.
	21	Tax preparation fees.	21
	22	Other expenses — investment, safe deposit box, etc. List type and amount	22
23	Add lines 20 through 22	23	
24	Enter amount from Form 1040, line 35.	24	
25	Multiply line 24 by 2% (.02).	25	
26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26	
27	Other — from list in the instructions. List type and amount	27	
		0.	
Other Miscellaneous Deductions	28	Is Form 1040, line 35, over \$139,500 (over \$69,750 if MFS)?	28
	<input checked="" type="checkbox"/> No.	Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 37.	
	<input type="checkbox"/> Yes.	Your deduction may be limited. See instructions for the amount to enter.	
			14,348.

No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 37.

Yes. Your deduction may be limited. See instructions for the amount to enter.

REDACTED



W. J. AND DONNA R. MATHEWS

Schedule B — Interest and Ordinary Dividends

08

Part I
Interest(See instructions
for Form 1040,
line 8a.)Note. If you
received a Form
1099-INT, Form
1099-OLD, or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the total
interest shown on
that form.

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address. ►

MENDO LAKE CREDIT UNION

Amount

14.

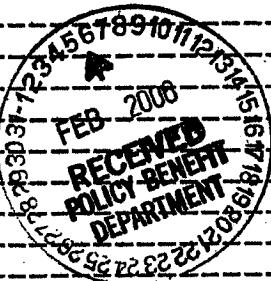
2 Add the amounts on line 1. ►

3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815. ►

4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a. ►

Note. If line 4 is over \$1,500, you must complete Part III.

5 List name of payer. ►

Part II
Ordinary
Dividends(See
instructions for
Form 1040,
line 9a.)Note. If you
received a Form
1099-DIV or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the
ordinary dividends
shown on that form.

Amount

14.

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a. ►

6 0.

Note. If line 6 is over \$1,500, you must complete Part III.

Part III
Foreign
Accounts
and
Trusts(See
instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes

No

7a At any time during 2003, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1. ►

b If 'Yes,' enter the name of the foreign country. ►

8 During 2003, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions. ►

REDACTED

SCHEDULE E

(40)

Department of the Treasury
Internal Revenue Service (99)

(s) shown on return

ARTHUR J. AND DONNA R. MATHEWS

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

► Attach to Form 1040 or Form 1041.

► See Instructions for Schedule E (Form 1040).

OMB No. 1545-0112

2003

Your social security number
REDACTED 7461

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). Report farm rental income or loss from Form 4835 on page 2, line 41.																																																																																																																																									
1 Show the kind and location of each rental real estate property:																																																																																																																																									
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B RENTAL PROPERTY REDACTED	CALISTOGA																																																																																																																																								
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Add lines 19 and 20</td> <td>21</td> <td>19,442.</td> <td>7,793.</td> <td></td> </tr> <tr> <td>22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198</td> <td>22</td> <td>-9,292.</td> <td>457.</td> <td></td> </tr> <tr> <td>23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2</td> <td>23</td> <td>-16,936.</td> <td></td> <td></td> </tr> <tr> <td>24 Income. Add positive amounts shown on line 22. Do not include any losses</td> <td>24</td> <td></td> <td></td> <td>457.</td> </tr> <tr> <td>25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. 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Otherwise, include this amount in the total on line 41 on page 2</td> <td>26</td> <td></td> <td></td> <td>-16,479.</td> </tr> </tbody> </table>			Properties			Totals			A	B	C	(Add columns A, B, and C)	3 Rents received	3	10,150.	8,250.	3 18,400	4 Royalties received	4			4	5 Advertising	5				6 Auto and travel (see instructions)	6				7 Cleaning and maintenance	7		1,600.		8 Commissions	8				9 Insurance	9				10 Legal and other professional fees	10				11 Management fees	11				12 Mortgage interest paid to banks, etc (see instructions)	12	10,101.	4,380.	12 14,481.	13 Other interest	13				14 Repairs	14				15 Supplies	15				16 Taxes	16	2,086.	763.		17 Utilities	17	2,852.			18 Other (list) ►	18	101.			AMORTIZATION					19 Add lines 5 through 18	19	15,140.	6,743.	19 21,883.	20 Depreciation expense or depletion (see instructions)	20	4,302.	1,050.	20 5,352.	21 Total expenses. Add lines 19 and 20	21	19,442.	7,793.		22 Income or (loss) from rental real estate or royalty properties. 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BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule E (Form 1040) 2003

FDI2230IL 06/10/03

REDACTED

PAL 0906

(003) DONNA R. MATHEWS

REDACTED 4454

Page 2

Taxpayers Qualifying Under Physical Presence Test (See instructions.)

The physical presence test is based on the 12-month period from 8/09/03 through 8/08/04
 Enter your principal country of employment during your tax year. SPAIN

18 If you traveled abroad during the 12-month period entered on line 16; complete columns (a) - (f) below. Exclude travel between foreign countries that did not involve travel on or over international waters, or in or over the United States, for 24 hours or more. If you have no travel to report during the period, enter 'Physically present in a foreign country or countries for the entire 12-month period.' Do not include the income from column (f) below in Part IV, but report it on Form 1040.

(a) Name of country (including U.S.)	(b) Date arrived	(c) Date left	(d) Full days present in country	(e) Number of days in U.S. on business	(f) Income earned in U.S. on business (attach computation)
SPAIN	8/15/03	9/06/03	21	0	0.
U.S.	9/06/03	9/12/03	7	0	0.
SPAIN	9/12/03	8/07/04	329	0	0.

Part IV All Taxpayers

Note: Enter on lines 19 through 23 all income, including noncash income, you earned and actually or constructively received during your 2003 tax year for services you performed in a foreign country. If any of the foreign earned income received this tax year was earned in a prior tax year, or will be earned in a later tax year (such as a bonus), see the instructions. Do not include income from line 14, column (d), or line 18, column (f). Report amounts in U.S. dollars, using the exchange rates in effect when you actually or constructively received the income.

If you are a cash basis taxpayer, report on Form 1040 all income you received in 2003, no matter when you performed the service.

		Amount (in U.S. dollars)
2003 Foreign Earned Income		
19 Total wages, salaries, bonuses, commissions, etc.	19	7,638.
20 Allowable share of income for personal services performed (see instructions):		
a In a business (including farming) or profession.	20a	
b In a partnership. List partnership's name and address and type of income.	20b	
21 Noncash income (market value of property or facilities furnished by employer — attach statement showing how it was determined):		
a Home (lodging)	21a	
b Meals.	21b	
c Car.	21c	
d Other property or facilities. List type and amount.	21d	
22 Allowances, reimbursements, or expenses paid on your behalf for services you performed:		
a Cost of living and overseas differential.	22a	
b Family.	22b	
c Education.	22c	
d Home leave.	22d	
e Quarters.	22e	
f For any other purpose. List type and amount.	22f	
g Add lines 22a through 22f.	22g	
23 Other foreign earned income. List type and amount.	23	
24 Add lines 19 through 21d, line 22g, and line 23.	24	7,638.
25 Total amount of meals and lodging included on line 24 that is excludable (see instructions)	25	
26 Subtract line 25 from line 24. Enter the result here and on line 27 on page 3. This is your 2003 foreign earned income.	26	7,638.

(ALLOCATION OF COMPENSATION) SEE STATEMENT 4

FDIA33121 07/10/03

REDACTED

Form 2555 (2003)

PAL 0908

2003) DONNA R. MATHEWS

REDACTED 4454

Page 3

All TaxpayersEnter the amount from line 26..... 27 7,638.

Are you claiming the housing exclusion or housing deduction?

Yes. Complete Part VI.
 No. Go to Part VII.

Part VI Taxpayers Claiming the Housing Exclusion and/or Deduction

28 Qualified housing expenses for the tax year (see instructions).....	28	
29 Number of days in your qualifying period that fall within your 2003 tax year (see instructions).....	29	days
30 Multiply \$30.77 by the number of days on line 29. If 365 is entered on line 29, enter \$11,233.00 here.....	30	
31 Subtract line 30 from line 28. If the result is zero or less, do not complete the rest of this part or any of Part IX.....	31	
32 Enter employer-provided amounts (see instructions).....	32	
33 Divide line 32 by line 27. Enter the result as a decimal (rounded to at least three places), but do not enter more than '1.000'.....	33	X
34 Housing exclusion. Multiply line 31 by line 33. Enter the result but do not enter more than the amount on line 32. Also, complete Part VIII.....	34	

Note: The housing deduction is figured in Part IX. If you choose to claim the foreign earned income exclusion, complete Parts VII and VIII before Part IX.

Part VII Taxpayers Claiming the Foreign Earned Income Exclusion

35 Maximum foreign earned income exclusion.....	35	\$80,000.
36 • If you completed Part VI, enter the number from line 29.	36	145 days
• All others, enter the number of days in your qualifying period that fall within your 2003 tax year (see the instructions for line 29).		
37 • If line 36 and the number of days in your 2003 tax year (usually 365) are the same, enter '1.000.'	37	X 0.397
• Otherwise, divide line 36 by the number of days in your 2003 tax year and enter the result as a decimal (rounded to at least three places).		
38 Multiply line 35 by line 37.....	38	31,760.
39 Subtract line 34 from line 27.....	39	7,638.
40 Foreign earned income exclusion. Enter the smaller of line 38 or line 39. Also, complete Part VIII.....	40	7,638.

Part VII Taxpayers Claiming the Housing Exclusion, Foreign Earned Income Exclusion, or Both

41 Add lines 34 and 40.....	41	7,638.
42 Deductions allowed in figuring your adjusted gross income (Form 1040, line 34) that are allocable to the excluded income. See instructions and attach computation.....	42	6,062.
43 Subtract line 42 from line 41. Enter the result here and in parentheses on Form 1040, line 21. Next to the amount enter 'Form 2555.' On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22.....	43	1,576.

Part VIII Taxpayers Claiming the Housing Deduction — Complete this part only if (a) line 31 is more than line 34, and (b) line 27 is more than line 41.

44 Subtract line 34 from line 31.....	44	
45 Subtract line 41 from line 27.....	45	
46 Enter the smaller of line 44 or line 45.....	46	
Note: If line 45 is more than line 46 and you could not deduct by Form 2002 housing deduction because of the 2002 limit, use the worksheet in the instructions to figure the amount to enter on line 47. Otherwise, go to line 48.		
47 Housing deduction carryover from 2002 (from worksheet in the instructions).....	47	
48 Housing deduction. Add lines 46 and 47. Enter the total here and on Form 1040 to the left of line 33. Next to the amount on Form 1040, enter 'Form 2555.' Add it to the total adjustments reported on that line.....	48	

Form 2555 (2003)

BAA

FDIA3203L 07/10/03

REDACTED

PAL 0909

106-EZ

Unreimbursed Employee Business Expenses

OMB No. 1545-1441

2003
54ADepartment of the Treasury
Internal Revenue Service (99)

► Attach to Form 1040.

Your name

DONNA R. MATHEWS

Occupation in which you incurred expenses
DENTAL HYGIENESocial security number
REDACTED 4454

You May Use This Form Only if All of the Following Apply.

- You are an employee deducting ordinary and necessary expenses attributable to your job. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.
- You do not get reimbursed by your employer for any expenses (amounts your employer included in box 1 of your Form W-2 are not considered reimbursements).
- If you are claiming vehicle expense, you are using the standard mileage rate for 2003.

Caution: You can use the standard mileage rate for 2003 only if: (a) you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service or (b) you leased the vehicle and used the standard mileage rate for the portion of the lease period after 1997.

Part I Figure Your Expenses

1	Vehicle expense using the standard mileage rate. Complete Part II and multiply line 8a by 36¢ (.36)	1	
2	Parking fees, tolls, and transportation, including train, bus, etc, that did not involve overnight travel or commuting to and from work.....	2	
3	Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment.....	3	
4	Business expenses not included on lines 1 through 3. Do not include meals and entertainment	4	STATEMENT 6. 390.
5	Meals and entertainment expenses: \$ _____ x 50% (.50) (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses by 65% (.65) instead of 50%. For details, see instructions.).....	5	
6	Total expenses. Add lines 1 through 5. Enter here and on line 20 of Schedule A (Form 1040). (Fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See the instructions for special rules on where to enter this amount).	6	390.

Part II Information on Your Vehicle. Complete this part only if you are claiming vehicle expense on line 1.

7	When did you place your vehicle in service for business use? (month, day, year).....	►	
8	Of the total number of miles you drove your vehicle during 2003, enter the number of miles you used your vehicle for:		
a	Business	bCommuting	cOther
9	Do you (or your spouse) have another vehicle available for personal use?.....		Yes <input type="checkbox"/> No <input type="checkbox"/>
10	Was your vehicle available for personal use during off-duty hours?.....		Yes <input type="checkbox"/> No <input type="checkbox"/>
11a	Do you have evidence to support your deduction?		Yes <input type="checkbox"/> No <input type="checkbox"/>
b	If 'Yes,' is the evidence written?		Yes <input type="checkbox"/> No <input type="checkbox"/>

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 2106-EZ (2003)



03

► Attach to Form 1040.

2003

62

Department of the Treasury
Internal Revenue Service

Line(s) shown on Form 1040

Your social security number

REDACTED 7463

ARTHUR J. AND DONNA R. MATHEWS

Before you begin: ✓ See the Distance Test and Time Test in the instructions to find out if you can deduct your moving expenses.
 ✓ If you are a member of the armed forces, see the instructions to find out how to complete this form.

1	Enter the amount you paid for transportation and storage of household goods and personal effects (see instructions).....	1	3,722
2	Enter the amount you paid for travel and lodging in moving from your old home to your new home (see instructions). Do not include the cost of meals.....	2	8,491
3	Add lines 1 and 2.....	3	12,124
4	Enter the total amount your employer paid you for the expenses listed on lines 1 and 2 that is not included in the wages box (box 1) of your Form W-2. This amount should be identified with code P in box 12 of your Form W-2	4	
5	Is line 3 more than line 4?	5	12,124.

No. You cannot deduct your moving expenses. If line 3 is less than line 4, subtract line 3 from line 4 and include the result on Form 1040, line 7.

Yes. Moving expense deduction. Subtract line 4 from line 3. Enter the result here and on Form 1040, line 27.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 3903 (2003)



REDACTED

62

Depreciation and Amortization (Including Information on Listed Property)

- See separate instructions.
- Attach to your tax return.

OMB No. 1545-0172

2003

67

Identifying number

Department of the Treasury
Internal Revenue Service

name(s) shown on return
ARTHUR T AND DONNA B MATHEWS

Business or activity in which this form relates

SCHEDULE E (RENTAL) - RENTAL PROPERTY

Election To Expense Certain Property Under Section 179

Election to Expel Certain Property Under Section 175
Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See instructions for a higher limit for certain businesses.....	1	\$100,000.
2 Total cost of section 179 property placed in service (see instructions).....	2	
3 Threshold cost of section 179 property before reduction in limitation.....	3	\$400,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.....	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.....	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).....	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12.....	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).

15 Property subject to section 168(f)(1) election (see instructions).

16 Other depreciation (including ACRS) (see instructions).

MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2003 17
18 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here □

Section B – Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property.....						
b 5-year property.....						
c 7-year property.....						
d 10-year property.....						
e 15-year property.....						
f 20-year property.....						
g 25-year property.....			25 yrs		S/L	
h Residential rental property.....	8/01/03	77,000.	27.5 yrs	MM	S/L	1,050.
			27.5 yrs	MM	S/L	
i Nonresidential real property.....			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20 a Class life.....					S/L	
b 12-year.....			12 yrs		S/L	
c 40-year.....			40 yrs	MM	S/L	

Part IV **Summary (see instructions)**

21 Listed property. Enter amount from line 28.....	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.....	22	1,050.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.....	23	

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Department of the Treasury
Internal Revenue Service

Line(s) shown on return

ARTHUR J. AND DONNA R. MATHEWS

Business or activity to which this form relates

FORM 2106 (OTHER) - DONNA R. MATHEWS (DENTAL HYGIENE)

OMB No. 1545-0772

Depreciation and Amortization (Including Information on Listed Property)

► See separate instructions.
► Attach to your tax return.

2003

67

Identifying number
REDACTED 463
Part I Election To Expense Certain Property Under Section 179
 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See instructions for a higher limit for certain businesses.....	1	\$100,000.
2 Total cost of section 179 property placed in service (see instructions).....	2	
3 Threshold cost of section 179 property before reduction in limitation.....	3	\$400,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.....	5	
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29.....	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.....	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10 Carryover of disallowed deduction from line 13 of your 2002 Form 4562.....	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).....	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.....	12	
13 Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12.....	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).....	14	281.
15 Property subject to section 168(f)(1) election (see instructions).....	15	
16 Other depreciation (including ACRS) (see instructions).....	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2003.....	17	
18 If you are electing under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here.....		<input type="checkbox"/>

Section B - Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property.....		654.	3	HY	S/L	109.
b 5-year property.....						
c 7-year property.....						
d 10-year property.....						
e 15-year property.....						
f 20-year property.....						
g 25-year property.....		25 yrs			S/L	
h Residential rental property.....		27.5 yrs	MM	S/L		
i Nonresidential real property.....		27.5 yrs	MM	S/L		
		39 yrs	MM	S/L		
			MM	S/L		

Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20 a Class life.....					S/L	
b 12-year.....		12 yrs			S/L	
c 40-year.....		40 yrs	MM	S/L		

Part IV Summary (see instructions)

21 Listed property. Enter amount from line 28.....	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	390.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.....	23	

REDACTED

582

Department of the Treasury
Internal Revenue Service

Passive Activity Loss Limitations

OMB No. 1545-1008

2003

88

► See separate instructions.
► Attach to Form 1040 or Form 1041.Name(s) shown on return
ARTHUR J. AND DONNA R. MATHEWSIdentifying number
REDACTED 7463

2003 Passive Activity Loss

Caution: See the instructions for Worksheets 1, 2, and 3 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation see Special Allowance for Rental Real Estate Activities in the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a)).....	1a	457.	
b Activities with net loss (enter the amount from Worksheet 1, column (b)).....	1b	-9,292.	
c Prior years unallowed losses (enter the amount from Worksheet 1, column (c)).....	1c	-7,644.	
d Combine lines 1a, 1b, and 1c.....	1d	-16,479.	

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a).....	2a		
b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b).....	2b		
c Add lines 2a and 2b.....	2c		

All Other Passive Activities

3 a Activities with net income (enter the amount from Worksheet 3, column (a)).....	3a		
b Activities with net loss (enter the amount from Worksheet 3, column (b)).....	3b		
c Prior years unallowed losses (enter the amount from Worksheet 3, column (c)).....	3c		
d Combine lines 3a, 3b, and 3c.....	3d		

4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used.....	4	-16,479.	
--	---	----------	--

If line 4 is a loss and:

- Line 1d is a loss, go to Part II.
- Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
- Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate With Active Participation

Note: Enter all numbers in Part II as positive amounts. See the instructions for an example.

5 Enter the smaller of the loss on line 1d or the loss on line 4.....	5	16,479.	
6 Enter \$150,000. If married filing separately, see the instructions.....	6	150,000.	
7 Enter modified adjusted gross income, but not less than zero (see instructions).....	7	64,575.	
Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.	8	85,425.	
8 Subtract line 7 from line 6.....	9	25,000.	

9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions.....	9	25,000.	
10 Enter the smaller of line 5 or line 9.....	10	16,479.	

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example in the Part II instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions.....	11		
12 Enter the loss from line 4.....	12		
13 Reduce line 12 by the amount on line 10.....	13		
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13.....	14		

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total.....	15	457.	
16 Total losses allowed from all passive activities for 2003. Add lines 10, 14, and 15. See the instructions to find out how to report the losses on your tax return.....	16	16,936.	

REDACTED

PAL 0914

2 (2003) ARTHUR J. AND DONNA R. MATHEWS

The worksheets must be filed with your tax return. Keep a copy for your records.

Worksheet 1 – For Form 8582, lines 1a, 1b, and 1c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
RENTAL PROPERTY		9,292.	7,644.		16,936.
RENTAL PROPERTY	457.			457.	
Total. Enter on Form 8582, lines 1a, 1b, and 1c..... ►	457.	9,292.	7,644.		

Worksheet 2 – For Form 8582, Lines 2a and 2b (See instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b..... ►			

Worksheet 3 – For Form 8582, Lines 3a, 3b, and 3c (See instructions.)

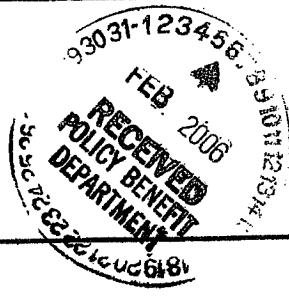
Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 3a, 3b, and 3c..... ►					

Worksheet 4 – Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see Instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
RENTAL PROPERTY	SCH E LN 23	16,936.	1.000000	16,479.	457.
Total..... ►		16,936.	1.00	16,479.	457.

Worksheet 5 – Allocation of Unallowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see Instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
RENTAL PROPERTY	SCH E LN 23	457.	1.000000	
Total..... ►		457.	1.00	



582

Department of the Treasury
Internal Revenue ServiceALTERNATIVE MINIMUM TAX
Passive Activity Loss Limitations

OMB No. 1545-1008

2003
88

- See separate instructions.
- Attach to Form 1040 or Form 1041.

Name(s) shown on return

ARTHUR J. AND DONNA R. MATHENS

Identifying number
REDACTED 7463

2003 Passive Activity Loss

Caution: See the instructions for Worksheets 1, 2, and 3 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation see Special Allowance for Rental Real Estate Activities in the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a)).....	1a	457.	
b Activities with net loss (enter the amount from Worksheet 1, column (b)).....	1b	-7,948.	
c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))..	1c	-7,015.	
d Combine lines 1a, 1b, and 1c.....	1d	-14,506.	

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a).....	2a		
b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b).....	2b		
c Add lines 2a and 2b.....	2c		

All Other Passive Activities

3 a Activities with net income (enter the amount from Worksheet 3, column (a)).....	3a		
b Activities with net loss (enter the amount from Worksheet 3, column (b)).....	3b	FEB 2006	
c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))..	3c	RECEIVED POLICY BENEFIT DEPARTMENT	
d Combine lines 3a, 3b, and 3c.....	3d		

4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used.....	4	-14,506.
--	---	----------

If line 4 is a loss and:

- Line 1d is a loss, go to Part II.
- Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
- Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate With Active Participation

Note: Enter all numbers in Part II as positive amounts. See the instructions for an example.

5 Enter the smaller of the loss on line 1d or the loss on line 4.....	5	14,506.
6 Enter \$150,000. If married filing separately, see the instructions.....	6	150,000.
7 Enter modified adjusted gross income, but not less than zero (see instructions).....	7	64,575.
Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.		
8 Subtract line 7 from line 6.....	8	85,425.
9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions.....	9	25,000.
10 Enter the smaller of line 5 or line 9.....	10	14,506.

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example in the Part II instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions.....	11	
12 Enter the loss from line 4.....	12	
13 Reduce line 12 by the amount on line 10.....	13	
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13.....	14	

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total.....	15	457.
16 Total losses allowed from all passive activities for 2003. Add lines 10, 14, and 15. See the instructions to find out how to report the losses on your tax return.....	16	14,963.

BAA For Paperwork Reduction Act Notice, see the instructions.

Form 8582 (2003)

REDACTED

ALTERNATIVE MINIMUM TAX

REDACTED

7463

Page 2

(2003) ARTHUR J. AND DONNA R. MATHEWS

The worksheets must be filed with your tax return. Keep a copy for your records.

Worksheet 1 — For Form 8582, lines 1a, 1b, and 1c (See instructions.)

Name of activity	Current year		Prior years		Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss	
RENTAL PROPERTY		7,948.	7,015.		14,963.	
RENTAL PROPERTY	457.			457.		
Total. Enter on Form 8582, lines 1a, 1b, and 1c.	457.	7,948.	7,015.			

Worksheet 2 — For Form 8582, Lines 2a and 2b (See instructions.)

Name of activity	(a) Current year deductions (line 2a)		(b) Prior year unallowed deductions (line 2b)		(c) Overall loss	
Total. Enter on Form 8582, lines 2a and 2b.						

Worksheet 3 — For Form 8582, Lines 3a, 3b, and 3c (See instructions.)

Name of activity	Current year		Prior years		Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss	
Total. Enter on Form 8582, lines 3a, 3b, and 3c.						

Worksheet 4 — Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a)	(b)	(c)	(d)
		Loss	Ratio	Special allowance	Subtract column (c) from column (a)
RENTAL PROPERTY	SCH E LN 23	14,963.	1.000000	14,506.	457.
Total.		14,963.	1.00	14,506.	457.

Worksheet 5 — Allocation of Unallowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a)	(b)	(c)
		Loss	Ratio	Unallowed loss
RENTAL PROPERTY	SCH E LN 23	457.	1.000000	
Total.		457.	1.00	



BAA

REDACTED

ED-21902 01/29/04

Form 8582 (2003)

PAL 0918

12 (2013)

ARTICLES

ENTERTAINMENT

Sheet 6 – Allowed to use calculators

Name of business	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
RENTAL PROPERTY	SCH B LN 23	14,963.	0.	14,963.
Total		14,963.		14,963.

Worksheet 7 – Activities With Losses Reported on Two or More Different Forms or Schedules (See Section 5 for instructions.)

Worksheet 7 — Activities With Losses Reported On Two Or More Different Forms	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Name of Activity				Type	
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule..... ►					
b Net income from form or schedule..... ►					
c Subtract line 1b from line 1a. If zero or less, enter -0-..... ►					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule..... ►					
b Net income from form or schedule..... ►					
c Subtract line 1b from line 1a. If zero or less, enter -0-..... ►					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule..... ►					
b Net income from form or schedule..... ►					
c Subtract line 1b from line 1a. If zero or less, enter -0-..... ►					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule..... ►					
b Net income from form or schedule..... ►					
c Subtract line 1b from line 1a. If zero or less, enter -0-..... ►					
Total		0.	1.00	0.	0.

Name of Activity . . .

Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule.....	►				
b Net income from form or schedule.....	►				
c Subtract line 1b from line 1a. If zero or less, enter -0-.....	►				
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule.....	►				
b Net income from form or schedule.....	►				
c Subtract line 1b from line 1a. If zero or less, enter -0-.....	►				
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule.....	►				
b Net income from form or schedule.....	►				
c Subtract line 1b from line 1a. If zero or less, enter -0-.....	►				
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule.....	►				
b Net income from form or schedule.....	►				
c Subtract line 1b from line 1a. If zero or less, enter -0-.....	►				
Total.....	►	0.	1.00	0.	0.

BAA

FDI21903L 01/29/04
REDACTED

Form 8582 (2003)

80

Department of the Treasury
Internal Revenue Service
Name(s) shown on return

Credit for Qualified Retirement Savings Contributions

OMB No. 1545-1805

2003

129

► Attach to Form 1040 or Form 1040A.
► See instructions.Your social security number
REDACTED 7463

ARTHUR J. AND DONNA R. MATHEWS

CAUTION: You cannot take this credit if either of the following applies.

- The amount on Form 1040, line 35, or Form 1040A, line 22, is more than \$25,000 (\$37,500 if head of household; \$50,000 if married filing jointly).
- The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1985, (b) is claimed as a dependent on someone else's 2003 tax return, or (c) was a student (see instructions).

- 1 Traditional and Roth IRA contributions for 2003. Do not include rollover contributions.....
- 2 Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2003 (see instructions).....
- 3 Add lines 1 and 2.....
- 4 Certain distributions received after 2000 and before the due date (including extensions) of your 2003 tax return (see instructions). If married filing jointly, include both spouses' amounts in both columns. See instructions for an exception.....
- 5 Subtract line 4 from line 3. If zero or less, enter -0-.....
- 6 In each column, enter the smaller of line 5 or \$2,000.....

	(a) You	(b) Your spouse
1		
2		904.
3		904.
4		
5		904.
6		904.

- 7 Add the amounts on line 6. If zero, stop; you cannot take this credit.....
- 8 Enter the amount from Form 1040, line 35*, or Form 1040A, line 22.....

8 46,672.

- 9 Enter the applicable decimal amount shown below:

If line 8 is—		And your filing status is—		
Over—	But not over—	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)
---	\$15,000	.5	.5	.5
\$15,000	\$16,250	.5	.5	.2
\$16,250	\$22,500	.5	.5	.1
\$22,500	\$24,375	.5	.2	.1
\$24,375	\$25,000	.5	.1	.1
\$25,000	\$30,000	.5	.1	.0
\$30,000	\$32,500	.2	.1	.0
\$32,500	\$37,500	.1	.1	.0
\$37,500	\$50,000	.1	.0	.0
\$50,000	---	.0	.0	.0

Note: If line 9 is zero, stop; you cannot take this credit.

- 10 Multiply line 7 by line 9.....
- 11 Enter the amount from Form 1040, line 43, or Form 1040A, line 28.....
- 12 Enter the total of your credits from Form 1040, lines 44 through 47, or Form 1040A, lines 29 through 31.....
- 13 Subtract line 12 from line 11. If zero, stop; you cannot take this credit.....
- 14 Credit for qualified retirement savings contributions. Enter the smaller of line 10 or line 13 here and on Form 1040, line 48, or Form 1040A, line 32.....

11	2,536.
12	
13	2,536.
14	90.

*See Publication 590 for the amount to enter if you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico.

Form 8880 (2003)

BAA For Paperwork Reduction Act Notice, see instructions.

REDACTED

PAL 0920

12/31/03

CLIENT MATTHEWS

8/28/04

2003 FEDERAL DEPRECIATION SCHEDULE

ARTHUR J. AND DONNA R. MATTHEWS

REDACTED 7463

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	CUR. BUS. PCT.	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DECR. BAL.	PRIOR DEPR.	CURRENT DEPR.
-----	-------------	---------------	-----------	-------------	----------------	----------------------	-----------------------------	------------------	-------------	---------------

SCHEDULE E - RENTAL PROPERTY

AMORTIZATION

3 LOAN FEES	11/29/02	2,140					2,140		
4 POINTS	11/29/02	900					900		
TOTAL AMORTIZATION		3,040		0	0	0	0	0	0
BUILDINGS									
2 BUILDING	10/01/98	118,305					118,305		
TOTAL BUILDINGS		118,305		0	0	0	0	118,305	0
TOTAL DEPRECIATION		118,305		0	0	0	0	118,305	0

SCHEDULE E - RENTAL PROPERTY

BUILDINGS

5 BUILDING - CALISTOGA	8/01/03	77,000					77,000		
TOTAL BUILDINGS		77,000		0	0	0	0	77,000	0
LAND									
6 LAND - CALISTOGA		33,000					33,000		
TOTAL LAND		33,000		0	0	0	0	33,000	0



REDACTED

PAL 0921

PAGE

2003 FEDERAL ALTERNATIVE MINIMUM TAX DEPRECIATION SCHEDULE

12/31/03

CLIENT MATHEWS

REDACTED 7463

04:54PM

8/28/04

04:54PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	AMT BASIS	AMT PRIOR DEPR.	AMT METHOD	AMT LIFE	AMT RATE	AMT DEPR.	REG. DEPR.	OWN PCT.	POST-86 DEPR.	REAL PROP DEP.	LEASE PROP DEP.	PER PROP PER PROP
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SCHEDULE E - RENTAL PROPERTY

BUILDINGS

2 BUILDING	10/01/98		118,305			S/L	MM	40	.02500	2,958	4,302				1,344
TOTAL BUILDINGS			118,305		0					2,958	4,302				1,344
TOTAL DEPRECIATION			118,305		0					2,958	4,302				1,344



SCHEDULE E - RENTAL PROPERTY

BUILDINGS

5 BUILDING - CALISTOGA	8/01/03		77,000			S/L	MM	27.5	.01364	1,050	1,050				
TOTAL BUILDINGS			77,000		0					1,050	1,050				
LAND										0	0				

6 LAND - CALISTOGA

TOTAL LAND

TOTAL DEPRECIATION

FORM 2106 (OTHER) - DONNA R. MATHEWS (DENTAL HYGIENE)

MACHINERY AND EQUIPMENT

REDACTED

PAL 0923

12/31/03

2003 FEDERAL ALTERNATIVE MINIMUM TAX DEPRECIATION SCHEDULE

CLIENT MATHEWS

8/28/04

ARTHUR J. AND DONNA R. MATHEWS

REDACTED 7463
04:54PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	AMT BASIS	AMT PRIOR DEPR.	AMT METHOD	AMT LIFE	AMT RATE	AMT DEPR.	REG. DEPR.	OWN ECT.	POST-86 DEPR ADJ.	REAL PROP DEPR.	LEAS PROP DEPR.	PROP BREE.
1	COMPUTER	4/23/03		654			S/L	HY	3,166.70	109	109				
	TOTAL MACHINERY AND EQUIPME			654	0					109	109		0	0	0
	TOTAL DEPRECIATION			654	0					109	109		0	0	0
	GRAND TOTAL DEPRECIATION			228,959	0				4,117	5,461		1,344	0	0	0



REDACTED